

## Message Text

UNCLASSIFIED

PAGE 01 RIO DE 00959 241919Z

62

ACTION XMB-04

INFO OCT-01 EB-07 AID-05 COME-00 OMB-01 TRSE-00 ISO-00

/018 W

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R 241810Z MAR 75

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC 2322

INFO AMEMBASSY BRASILIA

UNCLAS RIO DE JANEIRO 0959

E.O. 11652: N/A

TAGS: BPRO

SUBJECT: FCIA CREDIT INSURANCE AND EXIMBANK COMMERCIAL BANK  
GUARANTEE REQUESTS FOR SALES OF CONSTRUCTION MACHINERY  
TO CONSTRUTORA MENDES JUNIOR, S.A.

REF: STATE 062181 AND STATE 049871

1. NEW WTDR ON MENDES JUNIOR UNDER PREPARATION. FIRM,  
ONE OF THE LARGEST CONSTRUCTION FIRMS IN BRAZIL, CON-  
TINUES TO ENJOY HIGHEST REPUTATION AS LOCAL BANKS EX-  
PRESS NO RESERVATIONS ON CREDIT WORTHINESS OR FINANCIAL  
CONDITION.

2. CONGEN HAS ADVISED MENDES JUNIOR OF IMPORTANCE  
ITS SUPPLYING AUDITED STATEMENTS DIRECTLY  
TO EXIM. LIST OF CURRENT PROJECTS AND PUBLIC/PRIVATE  
BREAKDOWN ALSO REQUESTED. IF REPLY COMES TO CONGEN,  
IT WILL BE FORWARDED.

.3. AS EXIM IS AWARE, BRAZILIAN CONSTRUCTION INDUSTRY  
HAS FACED DIFFICULT TIMES IN THE RECENT PAST (METRO-  
POLITANA CASE, FOR EXAMPLE). THESE DIFFICULTIES RESULTED  
FROM BOTH UNDERCAPITALIZATION OF SOME FIRMS AND PAYMENT  
DELAYS BY SOME PUBLIC AGENCIES. SOME PAYMENT DELAYS ARE  
STILL BEING ENCOUNTERED, ESPECIALLY ON PROJECTS WITH  
STATE GOVERNMENT, BUT THE SITUATION HAS IMPROVED SINCE  
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LAST YEAR, PARTICULARLY ON FEDERAL GOVERNMENT PROJECTS.

THIS PROBLEM NOT EXPECTED TO AFFECT MENDES JUNIOR IN ANY  
CASE AS MOST MAJOR FIRMS EXPECT PAYMENT DELAYS AND  
ADJUST PROJECT PRICES ACCORDINGLY.

4. COMMENT: WE HAVE NO OBJECTION TO EXIM CONSIDERING  
REQUESTS. WHILE ALL OUR INFORMATION IS FAVORABLE, WE  
WOULD REPEAT THAT INDUSTRY HAS HAD PROBLEMS. THE DECI-  
SION ON EXIM PARTICIPATION IS ESSENTIALLY A CREDIT/FINAN-  
CIAL ONE WHICH WE ARE NOT QUALIFIED TO MAKE.  
DEXTER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Subject:** FCIA CREDIT INSURANCE AND EXIMBANK COMMERCIAL BANK GUARANTEE REQUESTS FOR SALES OF CONSTRUCTION MACHINERY  
**TAGS:** BPRO  
**To:** STATE  
**Type:** TE  
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